

PARITY PRICES FOR AGRICULTURAL COMMODITIES

JULY 5, 1952.—Ordered to be printed

Mr. COOLEY, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H. R. 8122]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 8122) to continue the existing method of computing parity prices for basic agricultural commodities, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *That section 301 (a) (1) (G) of the Agricultural Adjustment Act of 1938 is amended to read as follows:*

"(G) Notwithstanding the foregoing provisions of this section, the parity price for any basic agricultural commodity, as of any date during the six-year period beginning January 1, 1950, shall not be less than its parity price computed in the manner used prior to the enactment of the Agricultural Act of 1949."

SEC. 2. Section 101 of the Agricultural Act of 1949 is amended by adding the following paragraph at the end of section 101 (d) thereof:

"(6) The level of support to cooperators shall be 90 percentum of the parity price for the 1953 and 1954 crops of any basic agricultural commodity with respect to which producers have not disapproved marketing quotas."

SEC. 3. The Agricultural Act of 1949, as amended, is amended as follows:

1. Add a new subsection (f) at the end of section 101 of such Act, as follows:

"(f) The provisions of this Act relating to price support for cotton shall apply severally to (1) American upland cotton and (2) extra long staple cotton described in subsection (a) and ginned as required by subsection (e)

of section 347 of the Agricultural Adjustment Act of 1938, as amended, except that the level of price support which shall be made available to cooperators for extra long staple cotton of the 1953 crop if producers have not disapproved marketing quotas therefor shall be at a level bearing the same relationship to the level of price support determined for American upland cotton as the average farm price for extra long staple cotton during the period 1936-42, inclusive, bore to such price for American upland cotton. Disapproval by producers of the quota proclaimed under such section 347 shall place into effect the provisions of section 101 (d) (3) of this act with respect to the extra long staple cotton described in subsection (a) of such section 347. Nothing contained herein shall affect the authority of the Secretary under section 402 to make support available for extra long staple cotton in accordance with such section 402."

2. Add a new section 420 to such Act, reading as follows:

"SEC. 420. Any price support program in effect on cottonseed or any of its products shall be extended to the same seed and products of the cottons defined under section 347 (a) of the Agricultural Adjustment Act of 1938, as amended."

SEC. 4. Section 347 of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows:

"LONG STAPLE COTTON

"SEC. 347. (a) Except as otherwise provided by this section, the provisions of this part shall not apply to extra long staple cotton which is produced from pure strain varieties of the Barbados species, or any hybrid thereof, or other similar types of extra long staple cotton designated by the Secretary having characteristics needed for various end uses for which American upland cotton is not suitable, and grown in irrigated cotton-growing regions of the United States designated by the Secretary or other areas designated by the Secretary as suitable for the production of such varieties or types.

"(b) Whenever during any calendar year, not later than October 15, the Secretary determines that the total supply of cotton described in subsection (a) for the marketing year beginning in such calendar year will exceed the normal supply thereof for such marketing year by more than 8 per centum, the Secretary shall proclaim such fact and a national marketing quota shall be in effect for the crop of such cotton produced in the next calendar year. The Secretary shall also determine and specify in such proclamation the amount of the national marketing quota in terms of the quantity of cotton described in subsection (a) adequate to make available a normal supply of such cotton, taking into account (1) the estimated carry-over at the beginning of the marketing year which begins in the next calendar year, and (2) the estimated imports during such marketing year. The national marketing quota for cotton described in subsection (a) for any year shall not be less than the larger of 30,000 bales or a number of bales equal to 30 per centum of the estimated domestic consumption plus exports of such cotton for the marketing year beginning in the calendar year in which such quota is proclaimed.

"(c) All provisions of this Act, except section 342, subsections (h), (k), and (l) of section 344, the parenthetical provisions relating to acreages regarded as having been planted to cotton, and the provisions relating to minimum small farm allotments, shall, insofar as applicable, apply to marketing quotas and acreage allotments authorized by this section:

Provided, That the applicable penalty rate for such cotton under section 346 shall be the higher of 50 per centum of the parity price or 50 per centum of the support price for extra long staple cotton as of the date specified therein.

"(d) Unless marketing quotas are in effect under subsection (b) of this section, the penalty provisions of section 346 shall not apply to any cotton the staple of which is one and one-half inches or more in length.

"(e) The exemptions authorized by subsections (a) and (d) of this section shall not apply unless (1) the cotton is ginned on a roller-type gin or (2) the Secretary authorizes the cotton to be ginned on another type gin for experimental purposes or to prevent loss of the cotton due to frost or other adverse conditions."

And the Senate agree to the same.

HAROLD D. COOLEY,
GEORGE GRANT,
E. C. GATHINGS,
C. B. HOEVEN,

Managers on the Part of the House.

ALLEN J. ELLENDER,
CLYDE R. HOEY,
OLIN D. JOHNSTON,
MILTON R. YOUNG,

Managers on the Part of the Senate.

STATEMENT OF MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 8122) to continue the existing method of computing parity prices for basic agricultural commodities, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment struck out all after the enacting clause of the House bill and substituted new language which was in part the same as that in the House bill. The result of the Senate action was to leave section 1 of the House bill unchanged, to strike out all of section 2, and to add two new sections to the bill providing price support for extra-long-staple cotton.

The effect of the action taken by the committee of conference is to leave section 1 of the House bill unchanged, to reinstate section 2 with modifications, and to accept the new sections adopted by the Senate, dealing with long-staple cotton, with some modifications. Details of the changes are set out below.

Section 1: This section, which extends the dual parity provisions of the Agricultural Act of 1949, is the same as section 1 of the House bill.

Section 2: This section, which was eliminated from the bill by the Senate, has been reinstated with an amendment which makes the provisions of the section applicable only to crops of 1953 and 1954, instead of the 3 years, 1953-55, provided in the House bill.

Sections 3 and 4: The purpose of these sections, as agreed to by the committee of conference, is to provide price support for the 1953 crop of extra-long-staple cotton based on the historical ratio of the price of such cotton to the price of upland cotton. As adopted by the Senate, these sections would have based the level of support upon a cost of production factor.

As agreed to by the committee of conference, the level of support for extra-long-staple cotton will be determined by the relationship between the farm price of long-staple cotton and the farm price of American upland cotton in the 7 years 1936 to 1942, inclusive. The committee is informed that this will result in a support price for extra-long-staple cotton about 2.3 times the support price of short staple cotton.

At present price levels this would provide a support price in the neighborhood of 75 cents per pound for long-staple cotton. Under the incentive production program announced by the Department of Agriculture to produce long-staple cotton for strategic purposes, the support price of the 1952 crop is about \$1.05 per pound. The support level for 1953 provided in this bill, therefore, is approximately 30 cents per pound below the present level of price support.

As adopted by the Senate, these sections would have been permanent legislation. As agreed by the committee of conference, the provisions

relating to the level of support for long-staple cotton will apply only to the 1953 crop.

These sections also require that price-support programs for cottonseed or cottonseed products be extended to cover the seeds or products of long-staple cotton.

The committee of conference also made a minor change in the provision of section 4 relating to the penalty rate for long-staple cotton. As adopted by the Senate, the bill provided that the penalty should be 50 percent of the parity price. The committee of conference amended this provision to make the penalty 50 percent of the parity price or 50 percent of the support price, whichever is higher.

HAROLD D. COOLEY,

GEORGE GRANT,

E. C. GATHINGS,

CHARLES B. HOEVEN,

Managers on the Part of the House.

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Harold D. Gossard,
George E. Gossard,
R. C. Gossard,
Chairman D. Gossard,
Members on the Party of the Party.